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**Pope Zeigler, LLC**  
ATTORNEYS AND COUNSELORS AT LAW

1411 Gervais Street, Suite 300  
Post Office Box 11509  
Columbia, South Carolina 29211  
www.popezeigler.com

Belton T. Zeigler  
Main (803) 354.4900  
Direct (803) 354.4949  
Fax: (803) 354.4899  
bzeigler@popezeigler.com

RECEIVED  
MAY 18 2010

CLERK'S OFFICE

May 17, 2010

The Honorable Charles L.A. Terreni  
Chief Clerk and Administrator  
Public Service Commission of South Carolina  
P. O. Drawer 11649  
Columbia, SC 29211

2009-293E

RECEIVED  
MAY 17 PM 4:15  
SC PUBLIC SERVICE  
COMMISSION

Re: Quarterly Report of SCE&G Concerning Construction of V.C. Summer Nuclear Station  
Units 2 and 3

Dear Mr. Terreni:

Enclosed please find informational copies of SCE&G's Quarterly Report (the "Report") for the period ending March 31, 2010, related to the construction of V.C. Summer Nuclear Station Units 2 and 3.

This Report is being filed with the South Carolina Office of Regulatory Staff ("ORS") pursuant to the Base Load Review Act, S.C. Code Ann. § 58-33-277 (Cum. Supp. 2007) and the provisions of Order No. 2009-104(A) of the Public Service Commission of South Carolina (the "Commission"). Because this Report contains certain commercially sensitive information, SCE&G is filing both redacted (Public) and unredacted (Confidential) versions of this Report with ORS.

For your convenience, we are providing you with ten (10) copies of the Public version of this Report. SCE&G is also providing one (1) copy of the Confidential version of this Report and is hereby petitioning the Commission to enter a confidentiality order protecting the commercially sensitive information contained therein from disclosure, as set forth below.

The Confidential version of this Report contains confidential information related to the pricing and pricing terms of the Engineering, Procurement and Construction Agreement ("EPC Contract") between SCE&G and a consortium consisting of Westinghouse Electric Company, LLC and Stone & Webster, Inc. (collectively, "Contractor"). The EPC Contract contains confidentiality provisions that require SCE&G to protect proprietary information that the Contractor believes to constitute trade secrets and to be commercially sensitive. The Contractor has requested that SCE&G maintain the confidentiality of certain information contained in **Appendix 2, Chart A and Appendix 3**. This confidential information has been redacted from the Public Version of these appendices.

Concentrating on public finance, governmental and utility representation

COPY  
Posted: tdg

Dept: S.A.

Date: 5/19/10

Time: 3:50

# Pope Zeigler, LLC

ATTORNEYS AND COUNSELORS AT LAW

The Honorable Charles L.A. Terreni

May 17, 2010

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In keeping with the Contractor's request and the terms of the EPC Contract, SCE&G respectfully requests that the Commission find that the Confidential version of the Report contains protected information and issue a protective order barring the disclosure of Appendices 2, 3 and 4A of the Report under the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, S.C. Code Ann. Regs. 103-804(S)(1), or any other provision of law, except in its public form. Pursuant to 26 S.C. Code Regs. 103-804(S)(2), the determination of whether a document may be exempt from disclosure is within the Commission's discretion. Such a ruling in this instance would be consistent with the Commission's prior rulings in Docket No. 2008-196-E and Docket No. 2009-211-E finding, among other things, that the pricing and pricing terms of the EPC Contract are confidential and issuing a protective order barring the disclosure of this information. *See* Commission Order Nos. 2008-467; 2008-696, as amended by Order No. 2008-739; 2009-888, and 2010-198 issued in Docket No. 2008-196-E; and Commission Order No. 2009-401 issued in Docket No. 2009-211-E.

To this end, and in accordance with Commission Order No. 2005-226, dated May 6, 2005, in Docket No. 2005-83-A, enclosed with this letter is as follows:

1. A true and correct copy of the Confidential version of the Report in a sealed envelope marked "CONFIDENTIAL." The title page of the Confidential version of the Report is marked "CONFIDENTIAL VERSION" and each confidential page of the Confidential version of the Report is marked "CONFIDENTIAL EXHIBIT."
2. Ten copies of a redacted Public version of the Report.

SCE&G respectfully requests, in the event that anyone should seek disclosure of the unredacted Confidential version of the Report, that the Commission notify SCE&G of such request and provide it and the Contractor with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the Confidential version of this document from disclosure.

If you have any questions regarding these matters, please advise.

Sincerely,



Belton T. Zeigler

Enclosures

# Pope Zeigler, LLC

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Columbia, South Carolina 29211  
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bzeigler@popezeigler.com

May 17, 2010

C. Dukes Scott, Executive Director  
John Flitter, Director of Electric and Gas Regulation  
Shannon Bowers Hudson, Esquire  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, SC 29201

Re: Quarterly Report of SCE&G Concerning Construction of V.C. Summer Nuclear Station  
Units 2 and 3

Dear Mr. Scott:

Enclosed please find SCE&G's Quarterly Report (the "Report") for the period ending March 31, 2010, related to the construction of V.C. Summer Nuclear Station Units 2 and 3.

This Report is filed pursuant to the Base Load Review Act, S.C. Code Ann. § 58-33-277 (Cum. Supp. 2007) and the provisions of Order No. 2009-104(A) of the Public Service Commission of South Carolina (Commission). Because this Report contains certain commercially sensitive information, SCE&G is filing both redacted (Public) and unredacted (Confidential) versions of this Report.

For your convenience, SCE&G is providing two (2) copies of the Public version of this Report. In addition, we are providing you with ten (10) copies of the Confidential version of this Report. The Confidential version of this Report is being submitted to you pursuant to the Confidentiality Agreement entered into between the South Carolina Office of Regulatory Staff ("ORS") and SCE&G on August 14, 2009.

SCE&G submits that the information designated as confidential is entitled to protection from public disclosure under the S.C. Rules of Civil Procedural and is exempt from public disclosure under S.C. Code Ann. § 30-4-10, *et seq.* Accordingly, the Confidential version of this Report contains unredacted versions of **Appendix 2, Chart A** and **Appendix 3** and is being provided to you pursuant to S.C. Code Ann. § 58-4-55(c) (Supp. 2008) such that ORS may fulfill its statutory obligation under 58-33-277(B). SCE&G intends to file the Confidential version of this Report with the Commission and will seek an appropriate protective order.

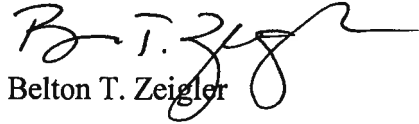
SCE&G looks forward to working with the ORS in its review and audit of this information. If you have any questions regarding these matters, please advise.

*Concentrating on public finance, governmental and utility representation.*

**Pope Zeigler, LLC**  
ATTORNEYS AND COUNSELORS AT LAW

C. Dukes Scott  
May 17, 2010  
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "B. T. Zeigler", with a stylized flourish extending to the right.

Belton T. Zeigler

Enclosures

**V. C. Summer Nuclear Station Units 2 & 3**

**Quarterly Report to the South Carolina Office of Regulatory Staff  
Submitted by South Carolina Electric & Gas Company  
Pursuant to Public Service Commission Order No. 2009-104A**

**Quarter Ending March 31, 2010**

**I. Introduction and Summary**

**A. Introduction**

This quarterly report is submitted by South Carolina Electric & Gas Company ("SCE&G" or "Company") to the Public Service Commission of South Carolina (the "Commission") and the South Carolina Office of Regulatory Staff ("ORS"). It is submitted in satisfaction of the requirements of S.C. Code Ann. § 58-33-277 (Supp. 2009) and the terms of Commission Order No. 2009-104A. This report provides updated information concerning the status of construction of V. C. Summer Nuclear Station Units 2 & 3 (the "Units") and updates the capital cost and construction schedules for the Units as approved in Order No. 2009-104A and Order No. 2010-12. Order No. 2009-104A is the base load review order related to the Units that was issued by the Commission on February 27, 2009. The Commission approved updated capital cost schedules and construction milestone schedules for the Units in Order No. 2010-12.

**B. Structure of Report and Appendices**

The current reporting period is the quarter ending March 31, 2010. The report is divided into the following sections:

- Section I: Introduction and Summary;
- Section II: Progress of Construction of the Units;
- Section III: Anticipated Construction Schedules;
- Section IV: Schedules of the Capital Costs Incurred Including Updates to the Information Required by S.C. Code Ann. § 58-33-270(B)(6) (the inflation indices);
- Section V: Updated Schedule of Anticipated Capital Costs; and
- Section VI: Conclusion.

**Appendices 1, 2, and 4** to this report contain detailed financial, milestone and other information updating the schedules approved by the Commission in Order No.

2010-12. For reference purposes, **Appendix 3** provides a copy of the approved capital cost schedule for the project without adjustments in the form approved in Order No. 2010-12.

A confidential and a public version of this report and its attachments are being provided. All cost information presented reflects only SCE&G's share of the project's cost.

As indicated below, construction of Units 2 & 3 is proceeding in full compliance with the cost and schedule forecasts approved by the Commission, as updated.

#### **C. Construction Schedule and Milestones**

As the report indicates, the Company has met all current milestones approved by the Commission in Order No. 2010-12, as adjusted pursuant to contingencies authorized in Order No. 2009-104A. There are 146 separate milestones. Of these, 48 have been completed as of March 31, 2010. Comparing the milestone completion dates for this quarter to the milestone dates approved by the Commission in Order No. 2010-12, the completion dates of 48 milestones have changed. Of these, 33 have been accelerated and 15 have been delayed for between one and six months.

#### **D. Construction Costs and Cost Forecasts**

As this report indicates, the Company is on track to complete the Units at the construction cost forecast of \$4.5 billion in 2007 dollars, net of Allowance for Funds Used During Construction ("AFUDC"), as approved in Order No. 2009-104A.

In Order No. 2009-104A, the Commission recognized that forecasts of AFUDC expense and escalation would vary over the course of the project and required those forecasts to be updated with each quarterly report. New escalation indices were issued in early May for the period July-December 2009 and those indices have been used in recalculating and re-forecasting project costs. As **Chart A** below shows the forecasted construction cost for the project in 2007 dollars is unchanged.

**Chart A: Reconciliation of Capital Cost (\$000)**

<b><u>Forecast Item</u></b>	<b><u>Projected 03/31/10 @ Five-Year Average Escalation Rates</u></b>	<b><u>Projected 12/31/09 @ Five-Year Average Escalation Rates</u></b>	<b><u>Change</u></b>
<b>Gross Construction</b>	<b>\$6,244,160</b>	<b>\$6,299,533</b>	<b>(\$55,373)</b>
<b>Less: AFUDC</b>	<b>\$329,357</b>	<b>\$333,291</b>	<b>(\$3,934)</b>
<b>Total Project Cash Flow</b>	<b>\$5,914,803</b>	<b>\$5,966,242</b>	<b>(\$51,439)</b>
<b>Less: Escalation</b>	<b>\$1,380,056</b>	<b>\$1,431,495</b>	<b>(\$51,439)</b>
<b>Capital Cost, 2007 Dollars</b>	<b>\$4,534,747</b>	<b>\$4,534,747</b>	<b>0</b>

**Chart B** compares the current forecast of gross construction costs, including escalation and AFUDC, to the forecast presented by the Company in Docket 2009-293-E. This chart shows that, while the cost of the plant in 2007 dollars remains at the approved \$4.5 billion level, the gross construction cost including escalation and AFUDC is \$631 million below the revised schedule forecast. The reduction in the construction cost forecast is due to the changes in forecasted escalation rates when netted against other changes as discussed more fully below.

**Chart B: Reconciliation of Capital Cost (\$000)**

<u>Forecast Item</u>	<u>Projected @ 03/31/10 (Five-Year Average Rates)</u>	<u>As Forecasted Or Approved In Order 2010-12</u>	<u>Change</u>
Gross Construction	\$6,244,160	\$6,875,315	(\$631,155)
Less: AFUDC	\$329,357	\$315,739	\$13,618
Total Project Cash Flow	\$5,914,803	\$6,559,576	(\$644,773)
Less: Escalation	\$1,380,056	\$2,024,829	(\$644,773)
Capital Cost, 2007 Dollars	\$4,534,747	\$4,534,747	\$0

**E. Escalation Rates**

As provided in Order No. 2009-104A, the most current 12-month inflation indices are used to escalate costs occurring in the 12 month period after the date of each quarterly report. Five-year average rates are used to project costs more than 12 months beyond the date of each report. As a result, with each quarterly filing, the costs for one quarter shift from being forecasted using the five-year indices to being forecasted using the 12-month indices. This results in a change in forecasted escalation even in quarters where no new escalation indices have been issued. As stated above, new escalation indices were issued in May 2010 for the period July-December 2009 and those rates are reflected in this report.

As shown on **Appendix 4**, utility construction cost escalation rates were at historically high levels during the period 2005-2008, and since then have begun to drop. Current escalation rates are at historical lows. However, the current five-year averages are now closer to historical rates than they were in certain past periods. Current escalation rates are shown on **Chart C**, below.



**Chart C: Handy-Whitman Escalation Rates**

<b>January 2010 Update</b>	
	<b>Escalation Rate</b>
<b><u>HW All Steam Index:</u></b>	
One year rate	<b>-1.29%</b>
Five Year Average	<b>5.21%</b>
Ten Year Average	<b>4.32%</b>
<b><u>HW All Steam/Nuclear Index:</u></b>	
One year rate	<b>-1.11%</b>
Five Year Average	<b>5.26%</b>
Ten Year Average	<b>4.34%</b>
<b><u>HW All Transmission Plant Index</u></b>	
One year rate	<b>-4.14%</b>
Five Year Average	<b>5.74%</b>
Ten Year Average	<b>4.63%</b>

For supplemental analysis purposes, the Company has recomputed project cash flow, net of AFUDC, using both the one-year escalation rates and ten-year escalation rates. As shown on **Chart D** below, the use of the ten-year rates generates results that are much more comparable to the results generated using the five-year rates than was the case in certain past periods. Use of one-year rates over the long-term generates cost projections that remain low compared to historical experience.

**Chart D: Reconciliation of Capital Cost (\$000)**

<u>Forecast Item</u>	<u>As Forecasted Or Approved In Order 2010- 12</u>	<u>Projected 03/31/10 @ Five-Year Average Escalation Rates</u>	<u>Recomputed Using One- Year Average Escalation Rates</u>	<u>Recomputed Using Ten- Year Average Escalation Rates</u>
Capital Cost, 2007 Dollars	\$4,534,747	\$4,534,747	\$4,534,747	\$4,534,747
Plus: Escalation	\$2,024,829	\$1,380,056	(\$64,386)	\$1,189,702
Total Project Cash Flow	\$6,559,576	\$5,914,803	\$4,470,361	\$5,724,449
<u>Change from Total Project Cash Flow as Forecasted in Order 2010-12</u>	N/A	(\$644,773)	(\$2,089,215)	(\$835,127)

**F. Increased AFUDC**

The change in AFUDC for the project is currently projected at \$13.6 million compared to the forecast contained in Docket 2009-293-E. Consistent with Order No. 2009-104A, SCE&G computes AFUDC based on the Federal Energy Regulatory Commission ("FERC") approved methodology as applied to the balance of Construction Work in Progress ("CWIP") that is outstanding between rate adjustments. SCE&G's AFUDC rate is currently 7.10% compared to the rate of 5.87% that applied in Docket 2009-293-E. Standing alone, this increase in the AFUDC rate would increase the forecasted amount of AFUDC by \$54.0 million. However, lower escalation rates have reduced the forecasted project cash flows thereby reducing AFUDC by \$40.4 million to produce a \$13.6 million net forecasted increase in AFUDC for the project.

**G. Contingency Usage and Availability**

As **Chart E** below indicates, \$1.2 million of the total project contingency of \$438 million in 2007 dollars was spent through the close of the current period. As discussed in more detail below, this \$1.2 million reflects additional costs in 2009 and 2010 associated

with Change Order No. 2 for the project and owner's costs. The \$1.2 million in contingency used to date represents approximately 1.5% of the total 2010 contingency pool of \$78.6 million and approximately 0.27% of the total contingency pool for the project of \$438 million.

**Chart E: Contingency Usage in 2007 Dollars (\$000)**

<u>Item</u>	<u>As of</u> <u>03/31/2010</u>	<u>As Approved</u> <u>Order 2009-104A</u>	<u>Change</u>
<b>Total Project Contingency</b>	<b>\$438,293</b>	<b>\$438,293</b>	<b>\$ 0</b>
<b>Cumulative Contingency to Date (Col. 1: Actual; Col. 2: Approved, year end)</b>	<b>\$1,152</b>	<b>\$78,628</b>	<b>(\$77,476)</b>
<b>Project Contingency Remaining</b>	<b>\$437,141</b>	<b>\$359,665</b>	<b>\$77,476</b>
<b>Percent of Project Contingency Remaining</b>	<b>99.7%</b>	<b>82.1%</b>	<b>17.6%</b>

As shown in more detail on **Appendix 2, Chart C**, and as discussed below, SCE&G currently forecasts that at the close of 2018 it will have used a cumulative total of \$59.5 million of the \$438 million contingency fund, in current dollars, to cover the increased escalation costs associated with project schedule changes and changes in base costs for the project. Of this \$59.5 million amount, \$58.9 million represents forecasted changes in base costs for the project and the remaining \$0.6 million represents forecasted changes related to escalation as a result of shifts in the timing of expenses. The \$58.9 million in contingency funds currently forecasted to be used to cover increases in base costs of the project represent approximately 1.3% of the total unescalated project cost. This forecasted use of \$58.9 million in contingency funds is \$5.3 million less than the forecast provided as of December 31, 2009 principally due to further refinement in Owner's cost calculations. **Appendix 2, Charts B and C** provide a year-by-year statement of forecasted contingency use and changes in that forecast.

#### **H. Compliance with the Commission Approved Cumulative Project Cash Flow Target**

Order No. 2009-104A established the Cumulative Project Cash Flow listed on Exhibit F to the Combined Application as the target for measuring the compliance of the project with the cost-related terms of that order. Order No. 2010-12 updated Exhibit F to conform to the Performance Management Baseline Schedule provided by

Westinghouse/Shaw on April 1, 2009. Order No. 2009-104A provided that the applicable Cumulative Project Cash Flow target would be adjusted with each quarterly report to reflect updated escalation data and any use by the Company of the cost-related contingencies that the Commission approved in Order No. 2009-104A.

**Appendix 2, Chart A** provides the Cumulative Project Cash Flow target updated for current escalation data. The cash flow targets up to December 31, 2009 have been updated to reflect actual escalation rates up to that date. The cash flow targets for the first quarter of 2010 and beyond have been updated based on the most recently available inflation indices which for purposes of this report are indices provided in May of 2010 that are current through December 31, 2010. When actual indices for the period December 31, 2009 to March 31, 2010 become available, the 2010 cash flow data for the categories that are subject to indexed escalation will be revised to reflect the actual escalation rates.

**Appendix 2, Chart B** compares the approved Cumulative Project Cash Flow target to the current cumulative cash flow schedules for the project, which include actual costs where available and SCE&G's working forecasts of annual cash flows for future years. In addition, the figures presented on **Appendix 2, Chart B** and **Chart C** for 2009 and 2010 have been adjusted to reflect timing differences between the billing methodology under the EPC Contract and the calculation of the escalated cash flow targets under Order 2009-104A. Under the EPC Contract, for periods where actual escalation rates are not available, Westinghouse/Shaw bills SCE&G based on a rolling 2-year average of the applicable Handy-Whitman rate and provides adjustments in the following period to reflect the actual rate when it is known. An adjustment has been made to **Appendix 2, Chart B** to offset the timing difference related to Westinghouse/Shaw's approach to estimated billings and credits which applies to those EPC cost categories that are subject to indexed escalation. As shown on **Appendix 2, Chart B**, the total amount of the resulting adjustment for 2009 has been updated to \$1.7 million based on actual escalation rates and the adjustment for the first quarter of 2010 is calculated to be \$1.3 million.

**Appendix 2, Chart B** shows that, due to the effects of timing, the project cash flow in the period 2010-2018 will vary within a range of \$13.2 million above to \$16 million below target in each year. As shown on **Appendix 2, Chart B**, the cumulative use of contingency to cover changes in escalation due to these timing variances is \$1.6 million over the life of the project. In no year does the cumulative use of contingency to cover timing differences exceed \$25.3 million. The current forecast also shows that the total use of contingency to cover both escalation-related costs increases and changes in base cost estimates will be \$59.5 million or 1.3% of the total project commitment.

The projected cash flow figures presented here are in current dollars. The contingency figures are presented in 2007 dollars before escalation.

## **II. Progress of Construction of the Units**

Construction of the project is progressing on schedule to meet the Unit 2 & 3 Substantial Completion dates of April 1, 2016 and January 1, 2019, respectively. A summary of the status of the project is addressed in Section II.A-Section II.G below.

### **A. Licensing and Permitting Update**

#### **1. The Combined Operating License Application (COLA)**

The COLA review process continues. The current construction schedule is based on the Nuclear Regulatory Commission (NRC) issuing a Combined Operating License (COL) for the Units no later than July 1, 2011. Westinghouse (WEC) is expected to complete testing of the new design for the Shield Building in May/June 2010 and submit the test report to the NRC in June/July 2010. As mentioned in the prior quarterly report, after the test results are accepted by the NRC, Westinghouse intends to file with the NRC a Design Control Document (DCD) revision, DCD Revision 18. DCD Revision 18 will incorporate all of the responses to NRC questions and all of the updates to design matters that have been requested as part of the COLA review process and that are not part of prior amendments. In light of its assessment of the anticipated schedule for review and approval of DCD Revision 18, SCE&G currently believes that the COL for Units 2 & 3 will be issued in late 2011 or early 2012. This schedule for the issuance of the COL would impact certain aspects of the construction schedule for the Units. However, SCE&G and Westinghouse/Shaw do not believe that a COL issuance date of late 2011 or early 2012 will adversely impact the scheduled Substantial Completion dates of Unit 2 or of Unit 3. SCE&G will continue to carefully monitor and proactively manage this aspect of the COL schedule. As the schedule for the filing and approval of DCD Revision 18 becomes better known, SCE&G and Westinghouse/Shaw will make any required revisions to the construction schedule to reflect the anticipated issuance date of the COL. SCE&G and Westinghouse/Shaw are evaluating steps that could be taken to accelerate construction if necessary and are confident that any delay in the issuance of the COL will not necessarily delay the Substantial Completion dates of the Units. The status of the major COLA review areas is as follows:

##### **a) Nuclear Safety Review**

1) The Staff of the NRC has completed its Phase 1 review to support development of the Safety Evaluation Report (SER) for the Units,

which includes the COLA review and issuance of NRC Requests for Additional Information (RAIs) to SCE&G for resolution. During the Phase 2 review, SCE&G will continue to respond to NRC questions that may arise. The Phase 2 review of the SER is intended to result in the development of the SER with no open items.

The NRC continues the SER review of the WEC DCD Revision 17. WEC, SCE&G and the industry are working with the NRC to resolve the open items associated with the NRC approval of DCD Revision 17. On April 3, 2009, the NRC issued a letter on the DCD Revision 17 review and approval schedule. The current NRC schedule shows a December 2010 final SER with an August 2011 final rule making. This final rule making is a prerequisite for the COLA approval and does not support the COLA approval date for the Units defined in the EPC Contract.

Currently, the primary issue related to DCD-17 is the concern with the design of the Reactor Shield Building which includes steel cladding technology to address aircraft impact. On October 15, 2009, the NRC issued documentation to Westinghouse stating that the proposed design of the shield building for the AP1000 plant will require additional analysis and testing or actual design modifications to ensure compliance with NRC requirements. In DCD Revision 17, Westinghouse proposed an improved design for the shield building for which design codes or standards do not exist in the U.S. It is not unusual for the regulator to require more "proof of concept" where the design is ahead of corresponding codes. WEC has already begun to address certain portions of NRC's concerns and has assured SCE&G that it has committed the resources necessary to address the NRC's concerns both quickly and definitively. WEC continues to work closely with the NRC to address schedule concerns related to the approval of DCD-17 in light of NRC's issues. WEC has agreed to a series of measures that should accelerate the review schedule or assist in minimizing the impact of any delay on the project schedule. In addition, SCE&G is preparing contingency plans that should allow it to accelerate the construction schedule to absorb a delay in the issuance of a COL if there is any. SCE&G believes that reasonable and feasible means are available to accelerate the schedule if necessary.

As to other issues, substantial progress has been made in resolving the NRC's issues related to the Containment Sump and Piping Design Analysis Criteria (DAC). These are no longer seen as issues affecting the schedule for the approval of DCD-17.

SCE&G is closely monitoring the DCD Revision 17 review process because of its potential impact on the schedule for the review and approval of the COLA for the Units. SCE&G has identified the status of the review and approval of DCD Revision 17 as a focus area for on-going monitoring and attention to

ensure that WEC does what is required to obtain the necessary approvals on a timely basis.

**b) Environmental Review (ER)**

In July 2009, the NRC completed the Phase I scoping of the Environmental Impact Statement (EIS) for the Units. All ER RAIs and follow-up questions have been answered. The NRC issued the draft EIS on April 15, 2010, subsequent to this reporting period. The Final EIS is scheduled to be issued in February 2011. This schedule supports the timely issuance of a COL for the Units.

**c) Legal Review**

As noted previously, several parties sought to intervene to raise issues before the Atomic Safety Licensing Board (ASLB) in its review of SCE&G's COLA. Under NRC Rules, these potential intervenors were required to demonstrate standing and to list their specific contentions in opposition to the COLA. To be admitted, contentions must meet relevance and factual support standards. On February 18, 2009, the ASLB dismissed all potential intervenors either because their contentions were deemed not to be admissible, or because they lacked standing. The intervenors appealed the ASLB decision to the NRC.

On January 7, 2010, the NRC issued a ruling that affirmed the ASLB's decision except as to two matters: First, the NRC granted standing to the Friends of the Earth which had been denied. Second, the NRC required the ASLB to review on a factual basis the intervenors' contention related to Demand Side Management (DSM) programs. (DSM programs are programs that promote energy efficiency and load management within the Company's customer groups.) The intervenors contended that SCE&G had undervalued the contribution that DSM programs could make to reduce the need for power from the Units.

In rejecting the intervenors' DSM challenge, the ASLB had relied on a 2005 NRC decision holding that DSM matters were not relevant to the need for power determination in nuclear licensing. In its January 7, 2010 decision, the NRC ruled that the 2005 decision should not have been relied upon as the sole basis for disallowing the DSM contention because the applicant in the earlier case was the owner/operator of a merchant plant with no means for undertaking any meaningful DSM programs. As a result, in this proceeding the NRC directed the ASLB to reconsider the intervenors' DSM contention on the facts. The NRC did not express any view on the merits of the intervenors' DSM contentions or on the factual record before the ASLB regarding DSM. The NRC also ruled that if the ASLB decided that the DSM contention should be admitted and litigated, elements

of two other related contentions should also be reviewed for potential admission, based on the admission of the DSM contention.

On March 17, 2010, the ASLB considered the merits of the intervenors' DSM contentions and issued an order rejecting all contentions of the intervenors. The intervenors have appealed the ASLB order on remand to the NRC. On April 5, 2010, SCE&G filed an opposing brief to the NRC.

## **2. Other Permits**

### **a) DHEC Storm Water Permits**

South Carolina Department of Health and Environmental Control (SCDHEC) approved modifications of the Phase 4 Storm Water Pollution Prevention Permit (SWPPP) to accommodate layout changes to the Switchyard and the Construction Permit for the construction of two (2) concrete batch plants.

### **b) Corps of Engineers Wetlands Permit**

SCE&G continues to interface with the Army Corps of Engineers (ACOE) on the ACOE 404 (wetlands) permit and submitted the draft permit during the 1<sup>st</sup> Quarter 2010. The permit application was noticed for public comment in April 2010. The ACOE has taken the position that it will not issue a wetlands permit, to include a phased permitting approach, prior to the NRC issuance of the Final EIS. To comply with the ACOE position, Westinghouse/Shaw is finalizing a work-around plan that will not disturb the wetlands in the Cooling Tower area until the Final EIS is approved and the required wetlands permit is issued. This plan will be technically feasible and will allow construction to proceed within the applicable milestone schedule and financial contingencies.

## **3. Appeals of Order No. 2009-104A**

In May 2009, two intervenors appealed the Commission's Order No. 2009-104A to the South Carolina Supreme Court. The oral arguments in the appeals brought by Friends of the Earth and the South Carolina Energy Users Committee were held on March 4 and April 6, 2010 (subsequent to this reporting period), respectively. On April 26, 2010, subsequent to this reporting period, the South Carolina Supreme Court, affirmed the Base Load Review Order issued by the Commission in the appeal initiated by Friends of the Earth. Friends of the Earth had 15 days to file a rehearing petition and no petition for rehearing was filed. The South Carolina Supreme Court has not yet issued an opinion in the South Carolina Energy Users Committee's appeal.



## **B. Engineering Update**

### **1. Engineering Completion Status**

a) The Engineering Completion Status based on the completion percentage for major plant categories is as follows:

- 1) Standard Plant Design – 84.0% complete
- 2) Site Specific Design – 53.0% complete
- 3) Total Design – 76.7% complete

b) To date, the Engineering Completion Status as reported above reflects the work necessary to bring the design outputs to a point where they are sufficient to support procurement, and construction planning. The project team is measuring the percentage of engineering work related to standard plant design items that have resulted in drawings that are ready for construction. Ready for construction drawings are being prepared for site specific work. The completion of the first ready for construction standard plant drawings are at least a year away. These anticipated dates fully support the construction schedule.

### **2. Standard Plant Design Activities**

During the reporting period, the following standard plant design activities were conducted:

a) Squib Valve prototype testing has resumed after modifications to improve the absorbance of shock loading resulting from valve actuation. The first test of the modified prototype was successfully completed on February 19, 2010. Testing will continue with the completion of testing projected in May 2010. There remains no known adverse impact on the project schedule for Units 2 and 3 from this activity.

b) During the testing of the Reactor Cooling Pump (RCP) for the China AP1000 projects, the RCP exhibited a problem during coast down from full speed. Several indications were discovered that warranted a root cause analysis which was performed by WEC and the manufacturer, EMD. Detailed plans have been formulated for material changes, design changes for internal components and additional developmental testing. Preparations are underway for the second diagnostic test in May 2010. The corrective action effort and final testing are expected to be completed within the original test schedule. There is no known

adverse impact on the project schedule for Units 2 and 3 from this activity. This is a focus area.

c) WEC maintains a system to track the design finalization schedule for major engineering categories and to flag items where design finalization is below WEC expectations related to support of the China AP1000 projects. Currently, WEC has identified several below-expectation items or areas related to activities in the categories of Shield Building, Piping, and Shaw and Toshiba equipment systems. The areas that have improved since the fourth quarter of 2009 are Instrumentation and Controls, and Procedures. WEC has provided to SCE&G an explanation and recovery plan for each of the below expectation items. No adverse impacts on the Units' Substantial Completion dates are anticipated from these items at this time. However, this is a focus area and will be monitored closely by SCE&G.

### **3. Site Specific Design Activities**

a) Shaw Engineering continues to perform Site Specific Design work to support the permitting and licensing activities. Geotechnical evaluations continue. This work is proceeding in a satisfactory manner.

b) Design continues for Site Specific Systems, to include the Circulating Water System, Potable Water System, Raw Water System, and the Storm Water System, Communication Systems and the Switchyard. This work is proceeding in a satisfactory manner.

c) The engineering work for the Heavy Lift Derrick and nuclear power block excavation plan is essentially complete. Commercial issues associated with the Heavy Lift Derrick are in the process of being addressed between the Consortium and SCE&G. The use of the Heavy Lift Derrick remains a focus area.

### **C. Procurement/Fabrication Update**

1. The start up of the Shaw Modular Solutions (SMS) facility in Lake Charles, LA has experienced delays in the start of fabrication of structural modules due primarily to implementation of the Quality Assurance plan and delays in receiving the WEC design packages for the modules it will construct. SMS and WEC are addressing these issues and plan to begin the module fabrication the first part of May 2010 which will support the overall project schedule. On April 6, 2010, subsequent to this reporting period, SCE&G and the Consortium senior management visited the SMS facility and reviewed the module fabrication status.

2. Doosan is experiencing delays in the fabrication of the Reactor Vessel for Unit 2. After a comprehensive review, Doosan determined that the delays resulted primarily from Doosan's scheduling of manufacturing process and the failure to optimize it. The Doosan recovery plan includes an optimization of the fabrication process with emphasis on the welding sequence. Also, Doosan has agreed to give first priority to the AP1000 project where there are conflicts with domestic South Korean projects. Doosan is also holding daily "tool box meetings" for the fabrication of the Reactor Vessel components and re-evaluating the Reactor Vessel nozzle welding program for its subcontractor PCI. In addition, Doosan has implemented a Total Operational Excellence program and has challenged the Doosan project management team to closely monitor the manufacturing process. The "Reactor Vessel Fabricator Notice to Contractor of Outlet Nozzle Welding to Flange Nozzle Shell Completion – Unit 2" is a BLRA milestone and is +6 months behind the reset milestone date. This delay does not appear to adversely impact the receipt of the Unit 2 Reactor Vessel on site (BLRA milestone 13-2Q-6).

Subsequent to this reporting period, and consistent with its quality assurance plan, Doosan reported that inspections had discovered a crack in the forging for the Unit 2 2B Steam Generator channel head. This forging is being scrapped and a cause and corrective action review is in process. Also, the schedule impact is being assessed, although there is no apparent impact on the next associated milestone, which is the milestone for Contractor Acceptance of the Steam Generator Equipment at the Port of Entry (BLRA milestone 13-2Q-2). The SCE&G NND Engineering Manager and NND QA representative visited the Doosan shop in South Korea during the week of April 26, 2010, subsequent to this reporting period, to review this issue. This is a focus area.

3. All hollow forgings were completed for the Unit 2 Reactor Coolant System (RCS) Reactor Coolant Loop (RCL) Piping hot legs. This work is being performed by IBF, a subcontractor to Tioga. Both companies are located in Italy. Subsequent to the hollow forging, and consistent with its quality assurance plan, IBF discovered that the grain size for the 2B RCL hot leg pipe was unacceptable. This forging was scrapped and a new forging is planned for May 2010. There is no apparent impact to the shipment of the Unit 2 RCL piping to the site (BLRA milestone 11-4Q-5). This condition occurred subsequent to this reporting period.

4. The fabrication of the remainder major components is generally making progress as planned.

#### **D. Construction Update**

1. Saiia Construction continues to work on the Plant Access Road, applying the asphalt base and wear layer.
2. Earthwork activities continue in the areas being excavated for location of the nuclear islands, turbine buildings and other principal buildings for the Units. The piles installation for the soldier wall for the Unit 2 power block is complete, and Shaw has begun the power block excavation. Earth spoils are being removed to the spoils area at approximately 19,300 cubic yards per day. Through the end of the reporting period approximately 2.8 million cubic yards of earth have been excavated.
3. Dane Construction has completed the Mayo Creek Bridge.
4. Morgan Construction continues to perform earthwork grading work in the new Switchyard area.
5. Fitts and Goodwin continues with the erection of Warehouses 20A and 20B.
6. Shaw initiated installation of the Circulating Water Pipe with 361 pipe sections or 60% of the total straight run sections for Units 2 and 3 having been installed as of early May 2010. This completion percentage is subsequent to this reporting period.

#### **E. Training Update**

1. The initial group of thirteen (13) Reactor Operator Training Instructors will receive reactor operations system training beginning May 3, 2010, with the second group receiving this training in September 2010. The Reactor Operator Training Instructors will receive their reactor operations simulator training in 2011 and 2012.
2. The renovation of the VCS Unit 1 Nuclear Learning Center (NLC) continues in order to house the AP1000 reactor operator training simulators. The current training facility at the NLC is being expanded to accommodate the two limited scope simulators for Units 2 and 3 that will arrive onsite in 2012.

## **F. Change Control/Owners Cost Forecast Update**

1. Contract Amendment #1 continues to be processed to revise the language in several areas of the EPC Contract. These revisions represent updates to the EPC Contract, such as contract language clarifications in the sections relating to Changes in the Work, changes made to the Major Equipment Supplier and Contractor exhibits and changes in the milestone payment schedules due to the Performance Management Baseline Schedule received on April 1, 2009. There are no changes in forecasted costs related to this item.

2. SCE&G continues to update its forecast of Owner's Costs to reflect increases in the anticipated costs of project oversight and operations staffing, licensing and other items. These changes involve forecasted costs only. SCE&G will continue to review and update these cost projections. The most recent updates have resulted in reduction in the forecast of Owner's Costs.

3. Change Order No. 1 for the training of the Reactor Operator Training Instructors by WEC is being revised to accommodate agreed upon schedule changes for the training that will allow time for improvements to the WEC training simulator software. WEC and SCE&G have agreed to document this change via a new Change Order No. 5 replacing Change Order No. 1. This will result in an increased cost to SCE&G to be covered by the Time & Material allocation as part of the EPC Contract. There will be no increase to the EPC Contract price or use of contingency.

4. Change Order No. 3 for the Parr Road rehabilitation was approved by SCE&G during this quarter. This change order increased the EPC Contract price and will be paid for using the Owner's Cost contingency.

5. Change Order No. 4 for the transfer of the module fabrication and Site assembly scope of work from WEC to Shaw is being reviewed by SCE&G. This change order is a "no cost" change order and will not change the EPC Contract price.

6. The change in cash flow forecast related to all change orders to date and changes in Owner's Costs is forecast to be \$58.9 million in 2007 dollars, the largest component of which is the change in Owner's Cost. The \$58.9 million cost change is reflected in the cash flow projections contained in the exhibits to this Quarterly Report.

## **G. Transmission Update**

1. SCE&G's Power Delivery group continues with the transmission line siting process for determining the precise routes for the new VC Summer Unit 1 – Killian 230kV line, the VC Summer Unit 2 – Lake Murray #2 230kV line, and the VC Summer Unit 3 – St. George #1 and #2 230kV lines. These new lines are needed to connect the Units to the grid.

2. The VC Summer Unit 1- Killian line is being sited in three phases: VCS-Winnsboro, Winnsboro-Blythewood, and Blythewood-Killian. A first public workshop was held on October 29, 2009 to gain public input for the Blythewood-Killian section. A second public workshop was held on March 16, 2010 to receive public comments on proposed alternate routes for this line. A final route is expected to be determined in June 2010. The first public workshop for the Winnsboro-Blythewood section was held on April 15, 2010 with a second workshop expected to be held in June/July 2010. The remaining section (VCS-Winnsboro) will occupy existing right of way and no formal workshops are planned.

3. For the VC Summer Unit 2 – Lake Murray #2 230kV line, SCE&G Power Delivery expects this line route will be constructed entirely within existing rights of way. SCE&G's Power Delivery group has completed an initial inventory survey of one of its existing right of way corridors and is in the process of conducting title searches to determine the quality of and resolve certain encroachments that were discovered. Power Delivery has completed the evaluation of a second corridor as part of the process of analyzing and determining a final route for this line.

4. Power Delivery has completed acquisition of additional land in St. George, South Carolina that will allow for installation of the breaker-and-a-half switchyard configuration needed to connect Unit 3 via two new VC Summer – St. George 230kV lines. SCE&G is investigating the availability of existing rights of way which could minimize the overall siting process for the VC Summer-St. George 230kV lines. A determination with respect to these lines is expected within the next months.

Shaw and Pike Electric continue progress of the 230kV Switchyard design. Completed designs include grounding, foundation, the control house, station service and varying aspects of the system protection relaying. Reviews of these designs were conducted by SCE&G Power Delivery Engineering Department. A 60% Design Review is scheduled for June 2010.

### **III. Anticipated Construction Schedules**

As of the end of the first quarter of 2010, the Company and its contractors remain on schedule to complete all required milestones as adjusted pursuant to the milestone schedule contingencies approved by the Commission in Order No. 2009-104A. Each of those adjustments is itemized in the Milestone Update section that follows. Accordingly, the project is in compliance with the construction schedules approved by the Commission in Order No. 2010-12 and with the provisions of S.C. Code Ann. § 58-33-275(A)(1).

#### **A. Construction Schedule Update**

The Project Licensing and Permitting, Engineering, Procurement and Construction work remains on schedule to meet the Units 2 & 3 Substantial Completion dates. Rescheduling of the milestones is addressed in Section III.B herein. The rescheduling of these milestones is within the approved contingencies and has no adverse impact on the Units' Substantial Completion dates.

#### **B. Milestone Update**

Attached as **Appendix 1** to this quarterly report is a spreadsheet that lists and updates each of the specific milestones constituting the anticipated construction schedule for the Units pursuant to S.C. Code Ann. § 58-33-270(B)(1) and Order No. 2010-12. Comparing the milestone dates in this quarter to the reset milestone dates in Order No. 2010-12, 33 milestones have been advanced and 15 have been delayed. All milestones adjustments are within the scope of the milestone schedule contingency authorized by the Commission in Order No. 2009-104A. The milestone adjustments do not adversely affect the Substantial Completion dates for Units 2 and 3.

### **IV. Schedules of the Capital Costs Incurred Including Updates to the Information Required by S.C. Code Ann. § 58-33-270(B)(6) (the Inflation Indices)**

The Capital Cost Update section of this report provides an update of the cumulative capital costs incurred and forecasted to be incurred in completing the project. These costs are compared to the cumulative capital cost targets approved by the Commission in Order No. 2010-12. The approved capital cost targets have been adjusted to reflect the currently reported historical escalation rates, and any use by the Company of the cost and timing contingencies that were approved by the Commission in Order No. 2009-104A. The Inflation Adjustments and Indices section of this report provides updated information on inflation indices and the changes in them.

## A. Capital Costs Update

When adjusted for escalation, the year-end 2010 Cumulative Project Cash Flow as approved in Order No. 2010-12 is \$939.0 million. The current forecast of the Revised Cumulative Project Cash Flow, as of December 31, 2010, shows that SCE&G will have spent \$936.5 on the project by that date. This amount includes the forecasted commitment of \$5.2 million in contingency funds in 2010 and the commitment of \$1.1 million of contingency funds during past periods. It also includes uncommitted contingency funds of \$72.3 million which would be available to be carried forward into 2011.

The forecasted expenditure for the project in 2010 exclusive of AFUDC is \$473.9 million. As shown on **Appendix 2, Chart B, line 30**, the cumulative amount to be spent on the project as of December 31, 2010 is forecasted to be approximately \$5.5 million less than the Cumulative Project Cash Flow approved by the Commission for year-end 2010 as adjusted for inflation and Westinghouse/Shaw billing differences. The \$5.5 million difference in Cumulative Project Cash Flow as compared to target represents timing differences and not changes in underlying costs. The Company expects that the forecasted base capital costs not incurred in 2010 will be incurred in future periods under the current construction schedule, and those costs have been included in the cash flow projections contained in **Exhibit 2** for future years.

**Chart A of Appendix 2** shows the Cumulative Project Cash Flow target as approved in Order No. 2010-12 and as updated for escalation and other Commission approved adjustments under the heading “**Per Order No. 2010-12 Adjusted.**” As shown there, SCE&G has carried forward into 2010 \$36.8 million in unused contingency funds from 2009 as permitted by the Commission in Order No. 2009-104A. SCE&G has not used the capital cost schedule contingencies to make any adjustments to the approved Cumulative Project Cash Flow as set forth in this filing because the project conforms to approved project cost targets without such adjustments. Nonetheless, SCE&G does not intend to waive or in any way limit its right, as authorized by the Commission, to make appropriate capital cost contingency adjustments associated with past or future changes in cost scheduling. SCE&G may make capital cost contingency adjustments related to such changes in its scheduling of capital costs in future filings.

**Appendix 2, Chart A**, shows the cumulative cash flow for the project based on actual expenditures to date and the Company’s current forecast of cost and construction schedule under the heading “**Actual Through March 2010, plus Projected.**” A comparison of the two sets of data is presented at **Appendix 2, Chart B. Appendix 2, Chart C**, shows that SCE&G anticipates that it will have more than sufficient contingency funds available to absorb the full amount of the forecasted cash flow differences and will retain substantial contingency funds for other uses. In addition, SCE&G forecasts that it will have budget surpluses sufficient to restore funds to the



contingency pool in 2014, 2017 and 2018. As a result, SCE&G forecasts that it will have \$379 million in uncommitted contingency funds at the end of the project.

The information presented in **Appendix 2** establishes that the anticipated cumulative project cash flow for the period ending December 31, 2010, is in conformity with the schedule approved by the Commission in Order No. 2010-12 and with the provisions of S.C. Code Ann. § 58-33-275(A)(1). It also establishes that the Company's best forecasts of future project costs are fully consistent with the Cumulative Project Cash Flows approved by the Commission in Order No. 2010-12.

For comparison purposes, **Appendix 3** sets out the cash flow schedule for the project exactly as it was approved in Order No. 2010-12, without change or updating. **Appendix 3** does not include any adjustments to the cash flow schedule for changes in inflation indices or adjustments in capital cost schedules made by the Company. The AFUDC forecast presented on **Appendix 3** is the AFUDC forecast that was current at the time of Order No. 2010-12 which has not been updated for changes in AFUDC rates or other factors.

#### **B. Inflation Indices Update**

**Appendix 4** shows the updated inflation indices approved in Order No. 2009-104A. Included is a history of the annual Handy Whitman All Steam Index, South Atlantic Region; the Handy Whitman All Steam and Nuclear Index, South Atlantic Region; Handy Whitman All Transmission Plant Index, South Atlantic Region; and the Chained GDP Index for the past 10 years. The changes in these indices and the escalation-related effects of cost rescheduling resulted in a decrease in the projected cost of the Units in future dollars from \$6.9 billion as forecast in Order No. 2010-12 to a forecast of \$6.2 billion using current inflation data and the current AFUDC rate. The \$4.5 billion forecast of the cost of the Units in 2007 dollars, net of AFUDC, remains unchanged.

#### **V. Updated Schedule of Anticipated Capital Costs**

The updated schedule of anticipated capital costs for Units 2 & 3 is reflected in **Appendix 2, Chart A**.

#### **VI. Conclusion**

As indicated above, the project is proceeding in compliance with the cost and schedule forecasts approved by the Commission in Order No. 2010-12. The scheduled completion dates for Units 2 & 3 remain April 1, 2016 and January 1, 2019, respectively. The Units are on track to be completed within the projected cost of \$4.5 billion in 2007 dollars net of AFUDC. The Company maintains an extensive staff of experts that

monitors and oversees the work of its contractors and has identified and continues to monitor closely all areas of concerns related to either cost or schedule for the project. The Company will continue to update the Commission and ORS of progress and concerns as the project proceeds.

## **APPENDIX 1**

### **V. C. Summer Nuclear Station Units 2 & 3**

#### **Quarterly Report to the South Carolina Office of Regulatory Staff Submitted by South Carolina Electric & Gas Company Pursuant to Public Service Commission Order No. 2009-104A**

#### **Quarter Ending March 31, 2010**




**Appendix 1** lists and updates each of the milestones which the Commission adopted as the Approved Construction Schedule for the Units, pursuant to S.C. Code Ann. § 58-33-270(B)(1) in Order No. 2010-12. **Appendix 1** provides columns with the following information:

1. Milestone tracking ID number.
2. The description of the milestone as updated in Order No. 2010-12.
3. The BLRA milestone date by year and quarter as approved by the Commission in Order No. 2010-12 (Reset Milestone Date).
4. The current milestone date, both by year and quarter and the specific calendar date for the milestone.
5. For each actual completed milestone, the date by which it was completed. For completed milestones, the milestone entry is shaded in gray.
6. Information showing the number of months, if any, by which a milestone has been shifted.
7. Information as to whether any milestone has been shifted outside of the 18/24 Month Contingency approved by the Commission.
8. Information as to whether any current change in this milestone is anticipated to impact the substantial completion date.
9. Notes.
10. On the final page of the document, there is a chart summarizing milestone completion and movement comparing the current or actual milestone date to the Reset Milestone Date. This movement is shown for only the milestones that have not been completed.

# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
1	08-2Q-1 Approve Engineering, Procurement and Construction Agreement	5/23/2008		5/23/2008		No	No	
2	08-2Q-2 Issue P.O.'s to nuclear component fabricators for Units 2 and 3 Containment Vessels	12/3/2008		12/3/2008		No	No	
3	08-2Q-2 Contractor Issue PO to Passive Residual Heat Removal Heat Exchanger Fabricator - First Payment - Unit 2	8/31/2008		8/18/2008		No	No	
4	08-2Q-2 Contractor Issue PO to Accumulator Tank Fabricator - Unit 2	7/31/2008		7/31/2008		No	No	
5	08-2Q-2 Contractor Issue PO to Core Makeup Tank Fabricator - Units 2 & 3	9/30/2008		9/30/2008		No	No	
6	08-2Q-2 Contractor Issue PO to Squib Valve Fabricator - Units 2 & 3	3/31/2009		3/31/2009		No	No	




Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only



# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
7	08-2Q-2 Contractor Issue PO to Steam Generator Fabricator - Units 2 & 3	6/30/2008		5/29/2008		No	No	
8	08-2Q-2 Contractor Issue Long Lead Material PO to Reactor Coolant Pump Fabricator - Units 2 & 3	6/30/2008		6/30/2008		No	No	
9	08-2Q-2 Contractor Issue PO to Pressurizer Fabricator - Units 2 & 3	8/31/2008		8/18/2008		No	No	
10	08-2Q-2 Contractor Issue PO to Reactor Coolant Loop Pipe Fabricator - First Payment - Units 2 & 3	6/30/2008		6/20/2008		No	No	
11	08-2Q-2 Reactor Vessel Internals - Issue Long Lead Material PO to Fabricator - Units 2 and 3	11/21/2008		11/21/2008		No	No	
12	08-2Q-2 Contractor Issue Long Lead Material PO to Reactor Vessel Fabricator - Units 2 & 3	6/30/2008		5/29/2008		No	No	




Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only



# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18-24 Month Contingency?	Substantial Completion Date Impact?	Notes
13	08-2Q-2 Contractor Issue PO to Integrated Head Package Fabricator - Units 2 & 3	7/31/2009		7/31/2009		No	No	
14	08-2Q-2 Control Rod Drive Mechanism Issue PO for Long Lead Material to Fabricator - Units 2 and 3 - first payment	6/21/2008		6/21/2008		No	No	
15	08-2Q-2 Issue P.O.'s to nuclear component fabricators for Nuclear Island structural CA20 Modules	7/31/2009		8/28/2009		No	No	
16	08-3Q-1 Start Site Specific and balance of plant detailed design	9/11/2007		9/11/2007		No	No	
17	08-3Q-2 Instrumentation & Control Simulator - Contractor Place Notice to Proceed - Units 2 & 3	10/31/2008		10/31/2008		No	No	
18	08-3Q-3 Steam Generator - Issue Final PO to Fabricator for Units 2 and 3	6/30/2008		6/30/2008		No	No	




Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only



# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
19	08-3Q-3 Reactor Vessel Internals - Contractor Issue PO for Long Lead Material (Heavy Plate and Heavy Forgings) to Fabricator - Units 2 & 3	1/31/2010		1/29/2010		No	No	Due to Schedule Refinement and Review.
20	08-3Q-3 Contractor Issue Final PO to Reactor Vessel Fabricator - Units 2 & 3	9/30/2008		9/30/2008		No	No	
21	08-3Q-4 Variable Frequency Drive Fabricator Issue Transformer PO - Units 2 & 3	4/30/2009		4/30/2009		No	No	
22	08-4Q-1 Start clearing, grubbing and grading	1/26/2009		1/26/2009		No	No	
23	08-4Q-2 Core Makeup Tank Fabricator Issue Long Lead Material PO - Units 2 & 3	10/31/2008		10/31/2008		No	No	
24	08-4Q-2 Accumulator Tank Fabricator Issue Long Lead Material PO - Units 2 & 3	10/31/2008		10/31/2008		No	No	
25	08-4Q-2 Pressurizer Fabricator Issue Long Lead Material PO - Units 2 & 3	10/31/2008		10/31/2008		No	No	

Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only



# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
26	08-4Q-2 Reactor Coolant Loop Pipe - Contractor Issue PO to Fabricator - Second Payment - Units 2 & 3	4/30/2009		4/30/2009		No	No	
27	08-4Q-2 Integrated Head Package - Issue PO to Fabricator - Units 2 and 3 - second payment	7/31/2009		7/31/2009		No	No	
28	08-4Q-2 Control Rod Drive Mechanisms - Contractor Issue PO for Long Lead Material to Fabricator - Units 2 & 3	6/30/2008		6/30/2008		No	No	
29	08-4Q-2 Contractor Issue PO to Passive Residual Heat Removal Heat Exchanger Fabricator - Second Payment - Units 2 & 3	10/31/2008		10/31/2008		No	No	
30	09-1Q-1 Start Parr Road intersection work.	2/13/2009		2/13/2009		No	No	
31	09-1Q-2 Reactor Coolant Pump - Issue Final PO to Fabricator - Units 2 and 3	6/30/2008		6/30/2008		No	No	
32	09-1Q-3 Integrated Heat Packages Fabricator Issue Long Lead Material PO - Units 2 & 3	10/31/2009		10/1/2009		No	No	

Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only



# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
33	09-1Q-4 Design Finalization Payment 3	1/31/2009		1/30/2009		No	No	
34	09-2Q-1 Start site development	6/23/2008		6/23/2008		No	No	
35	09-2Q-2 Contractor Issue PO to Turbine Generator Fabricator - Units 2 & 3	2/28/2009		2/19/2009		No	No	
36	09-2Q-2 Contractor Issue PO to Main Transformers Fabricator - Units 2 & 3	9/30/2009		9/25/2009		No	No	
37	09-2Q-3 Core Makeup Tank Fabricator Notice to Contractor Receipt of Long Lead Material - Units 2 & 3	10-4Q 11/30/2010	10-3Q 7/31/2010		-4 Months	No	No	Schedule ahead of plan.
38	09-2Q-4 Design Finalization Payment 4	4/30/2009		4/30/2009		No	No	
39	09-3Q-1 Turbine Generator Fabricator Issue PO for Condenser Material - Unit 2	8/31/2009		8/28/2009		No	No	
40	09-3Q-2 Reactor Coolant Pump Fabricator Issue Long Lead Material Lot 2 - Units 2 & 3	4/30/2009		4/30/2009		No	No	




Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only



# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
41	09-3Q-2 Passive Residual Heat Removal Heat Exchanger Fabricator Receipt of Long Lead Material - Units 2 & 3	10-2Q 5/31/2010	10-2Q 5/31/2010			No	No	
42	09-3Q-3 Design Finalization Payment 5	7/31/2009		7/31/2009		No	No	
43	09-4Q-1 Start erection of construction buildings, to include craft facilities for personnel, tools, equipment; first aid facilities; field offices for site management and support personnel; temporary warehouses; and construction hiring office.	10/9/2009		12/18/2009		No	No	
44	09-4Q-2 Reactor Vessel Fabricator Notice to Contractor of Receipt of Flange Nozzle Shell Forging - Unit 2	7/31/2009		8/28/2009		No	No	
45	09-4Q-3 Design Finalization Payment 6	10/31/2009		10/7/2009		No	No	



Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only



# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
46	09-4Q-4 Instrumentation and Control Simulator - Contractor Issue PO to Subcontractor for Radiation Monitor System - Units 2 & 3	12/31/2009		12/17/2009		No	No	
47	10-1Q-1 Reactor Vessel Internals - Fabricator Start Fit and Welding of Core Shroud Assembly - Unit 2	11-2Q 6/30/2011	11-1Q 2/28/2011		-4 Months	No	No	Schedule ahead of plan.
48	10-1Q-2 Turbine Generator Fabricator Issue PO for Moisture Separator Reheater/Feedwater Heater Material - Unit 2	10-2Q 4/30/2010	10-2Q 4/30/2010			No	No	
49	10-1Q-3 Reactor Coolant Loop Pipe Fabricator Acceptance of Raw Material - Unit 2	4/30/2010		2/18/2010		No	No	Milestone completed ahead of plan.
50	10-2Q-1 Reactor Vessel Internals - Fabricator Start Weld Neutron Shield Spacer Pads to Assembly - Unit 2	11-4Q 10/31/2011	11-4Q 10/31/2011			No	No	
51	10-2Q-2 Control Rod Drive Mechanisms - Fabricator to Start Procurement of Long Lead Material - Unit 2	6/30/2009		6/30/2009		No	No	




Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only



10-1Q

# Appendix 1 VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
52	10-2Q-3 Contractor Notified that Pressurizer Fabricator Performed Cladding on Bottom Head - Unit 2	10-4Q 11/30/2010	10-4Q 10/31/2010		-1 Month	No	No	Schedule ahead of plan.
53	10-3Q-1 Start excavation and foundation work for the standard plant for Unit 2	3/15/2010		3/15/2010		No	No	Milestone complete. On schedule.
54	10-3Q-2 Steam Generator Fabricator Notice to Contractor of Receipt of 2nd Steam Generator Tubesheet Forging - Unit 2	10-1Q 2/28/2010	10-2Q 4/30/2010		+2 Months	No	No	Schedule delay at supplier.
55	10-3Q-3 Reactor Vessel Fabricator Notice to Contractor of Outlet Nozzle Welding to Flange Nozzle Shell Completion - Unit 2	10-1Q 2/28/2010	10-3Q 8/31/2010		+6 Months	No	No	Schedule delay at supplier.
56	10-3Q-4 Turbine Generator Fabricator Notice to Contractor Condenser Fabrication Started - Unit 2	10-2Q 5/31/2010	10-2Q 5/31/2010			No	No	
57	10-4Q-1 Complete preparations for receiving the first module on site for Unit 2.	8/18/2010		1/22/2010		No	No	Module Laydown Yard Area 1 Complete ahead of schedule.

Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only

# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
58	10-4Q-2 Steam Generator Fabricator Notice to Contractor of Receipt of 1st Steam Generator Transition Cone Forging - Unit 2	10-2Q 4/30/2010	10-2Q 4/30/2010			No	No	
59	10-4Q-3 Reactor Coolant Pump Fabricator Notice to Contractor of Manufacturing of Casing Completion - Unit 2	10-4Q 11/30/2010	10-4Q 11/30/2010			No	No	
60	10-4Q-4 Reactor Coolant Loop Pipe Fabricator Notice to Contractor of Machining, Heat Treating & Non-Destructive Testing Completion - Unit 2	10-4Q 12/31/2010	11-1Q 2/28/2011		+2 Months	No	No	Schedule delay at supplier.
61	11-1Q-1 Core Makeup Tank Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 2	11-2Q 5/31/2011	11-2Q 5/31/2011			No	No	
62	11-1Q-2 Polar Crane Fabricator Issue PO for Main Hoist Drum and Wire Rope - Units 2 & 3	11-1Q 2/28/2011	11-1Q 2/28/2011			No	No	
63	11-2Q-1 Control Rod Drive Mechanisms - Fabricator to Start Procurement of Long Lead Material - Unit 3	11-2Q 6/30/2011	11-2Q 6/30/2011			No	No	

Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only



# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
64	11-2Q-2 Turbine Generator Fabricator Notice to Contractor Condenser Ready to Ship - Unit 2	11-4Q 10/31/2011	11-4Q 10/31/2011			No	No	
65	11-3Q-1 Start placement of mud mat for Unit 2	11-3Q 7/14/2011	11-3Q 7/21/2011			No	No	Due to Schedule Rework and Status.
66	11-3Q-2 Steam Generator Fabricator Notice to Contractor of Receipt of 1st Steam Generator Tubing - Unit 2	11-1Q 1/31/2011	11-1Q 2/28/2011		+1 Month	No	No	Schedule delay at supplier.
67	11-3Q-3 Pressurizer Fabricator Notice to Contractor of Welding of Upper and Intermediate Shells Completion - Unit 2	10-4Q 10/31/2010	10-4Q 10/31/2010			No	No	
68	11-3Q-4 Reactor Vessel Fabricator Notice to Contractor of Closure Head Cladding Completion - Unit 3	12-1Q 2/28/2012	12-1Q 2/28/2012			No	No	
69	11-4Q-1 Begin Unit 2 first nuclear concrete placement	11-4Q 10/3/2011	11-4Q 10/3/2011			No	No	
70	11-4Q-2 Reactor Coolant Pump Fabricator Notice to Contractor of Stator Core Completion - Unit 2	11-3Q 9/30/2011	11-3Q 9/30/2011			No	No	

Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only

# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
71	11-4Q-3 Fabricator Start Fit and Welding of Core Shroud Assembly - Unit 2	11-2Q 6/30/2011	11-1Q 2/28/2011		-4 Months	No	No	Schedule ahead of plan.
72	11-4Q-4 Steam Generator Fabricator Notice to Contractor of Completion of 1st Steam Generator Tubing Installation - Unit 2	11-2Q 5/31/2011	11-3Q 7/31/2011		+2 Months	No	No	Schedule delay at supplier.
73	11-4Q-5 Reactor Coolant Loop Pipe - Shipment of Equipment to Site - Unit 2	12-4Q 12/31/2012	11-3Q 7/31/2011		-17 Months	No	No	Schedule ahead of plan.
74	11-4Q-6 Control Rod Drive Mechanism - Ship Remainder of Equipment (Latch Assembly & Rod Travel Housing) to Head Supplier - Unit 2	11-4Q 12/31/2011	11-4Q 12/31/2011			No	No	
75	11-4Q-7 Pressurizer Fabricator Notice to Contractor of Welding of Upper and Intermediate Shells Completion - Unit 2	10-4Q 10/31/2010	10-4Q 10/31/2010			No	No	
76	11-4Q-8 Steam Generator Fabricator Notice to Contractor of Completion of 2nd Steam Generator Tubing Installation - Unit 2	11-2Q 6/30/2011	11-3Q 8/31/2011		+2 Months	No	No	Schedule delay at supplier.
77	11-4Q-9 Design Finalization Payment 14	11-4Q 10/31/2011	11-4Q 10/31/2011			No	No	

Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only



# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
78	12-1Q-1 Set module CA04 for Unit 2	12-1Q 1/27/2012	12-1Q 1/27/2012			No	No	
79	12-1Q-2 Passive Residual Heat Removal Heat Exchanger Fabricator Notice to Contractor of Final Post Weld Heat Treatment - Unit 2	10-2Q 6/30/2010	10-2Q 6/30/2010			No	No	
80	12-1Q-3 Passive Residual Heat Removal Heat Exchanger Fabricator Notice to Contractor of Completion of Tubing - Unit 2	11-1Q 1/31/2011	11-1Q 3/31/2011		+2 Months	No	No	Schedule delay at supplier.
81	12-1Q-4 Polar Crane Fabricator Notice to Contractor of Girder Fabrication Completion - Unit 2	12-1Q 2/28/2012*	12-2Q 4/30/2012		+2 Months	No	No	2 month schedule delay at supplier. *This milestone had an incorrect date of 1/31/11 on the 4th Quarter Report and has been corrected to reflect the correct date of 2/28/12.
82	12-1Q-5 Turbine Generator Fabricator Notice to Contractor Condenser Ready to Ship - Unit 3	13-3Q 8/31/2013	13-3Q 8/31/2013			No	No	




Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only



# Appendix 1

## VC Summer Units 2 and 3




Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
83	12-2Q-1 Set Containment Vessel ring #1 for Unit 2	12-2Q 4/3/2012	12-2Q 4/5/2012			No	No	Due to Rework of the Standard Plant Schedule.
84	12-2Q-2 Reactor Coolant Pump Fabricator Delivery of Casings to Port of Export - Unit 2	12-1Q 3/31/2012	12-1Q 3/31/2012			No	No	
85	12-2Q-3 Reactor Coolant Pump Fabricator Notice to Contractor of Stator Core Completion - Unit 3	13-3Q 8/31/2013	13-3Q 8/31/2013			No	No	
86	12-2Q-4 Reactor Vessel Fabricator Notice to Contractor of Receipt of Core Shell Forging - Unit 3	12-3Q 9/30/2012	12-3Q 9/30/2012			No	No	
87	12-2Q-5 Contractor Notified that Pressurizer Fabricator Performed Cladding on Bottom Head - Unit 3	13-1Q 1/31/2013	11-4Q 12/31/2011		-13 Months	No	No	Schedule ahead of plan.
88	12-3Q-1 Set Nuclear Island structural module CA03 for Unit 2	12-3Q 8/30/2012	12-3Q 9/4/2012		+1 Month	No	No	Due to Schedule Refinement and Review.

Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only

# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
89	12-3Q-2 Squib Valve Fabricator Notice to Contractor of Completion of Assembly and Test for Squib Valve Hardware - Unit 2	12-2Q 5/31/2012	12-3Q 8/31/2012		+3 Months	No	No	Schedule delay at supplier.
90	12-3Q-3 Accumulator Tank Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 3	12-4Q 12/31/2012	12-4Q 12/31/2012			No	No	
91	12-3Q-4 Polar Crane Fabricator Notice to Contractor of Electric Panel Assembly Completion - Unit 2	12-3Q 7/31/2012	12-1Q 1/31/2012		-6 Months	No	No	Schedule ahead of plan.
92	12-4Q-1 Start containment large bore pipe supports for Unit 2	12-2Q 4/9/2012	12-2Q 6/22/2012		+2 Months	No	No	Due to Schedule Refinement and Review.
93	12-4Q-2 Integrated Head Package - Shipment of Equipment to Site - Unit 2	12-4Q 10/31/2012	13-1Q 1/31/2013		+3 Months	No	No	Due to Schedule Refinement and Review.
94	12-4Q-3 Reactor Coolant Pump Fabricator Notice to Contractor of Final Stator Assembly Completion - Unit 2	12-4Q 11/30/2012	12-4Q 11/30/2012			No	No	

Color Legend:  = Completed  = Completed in 10-1 Q  = Movement in Days Only



# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
95	12-4Q-4 Steam Generator Fabricator Notice to Contractor of Completion of 2nd Steam Generator Tubing Installation - Unit 3	13-2Q 5/31/2013	13-2Q 4/30/2013		-1 Month	No	No	Schedule ahead of plan.
96	12-4Q-5 Steam Generator Fabricator Notice to Contractor of Satisfactory Completion of 1st Steam Generator Hydrotest - Unit 2	12-2Q 5/31/2012	12-2Q 5/31/2012			No	No	
97	13-1Q-1 Start concrete fill of Nuclear Island structural modules CA01 and CA02 for Unit 2	13-1Q 2/26/2013	13-1Q 2/28/2013			No	No	Due to Rework of the Standard Plant Schedule.
98	13-1Q-2 Passive Residual Heat Removal Heat Exchanger - Delivery of Equipment to Port of Entry - Unit 2	12-2Q 4/30/2012	12-1Q 2/28/2012		-2 Months	No	No	Schedule ahead of plan.
99	13-1Q-3 Refueling Machine Fabricator Notice to Contractor of Satisfactory Completion of Factory Acceptance Test - Unit 2	13-1Q 2/28/2013	12-3Q 8/31/2012		-6 Months	No	No	Schedule ahead of plan.
100	13-1Q-4 Deliver Reactor Vessel Internals to Port of Export - Unit 2	13-3Q 7/31/2013	13-3Q 7/31/2013			No	No	

Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only

## Appendix 1

### VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
101	13-2Q-1 Set Unit 2 Containment Vessel #3	13-2Q 4/17/2013	13-2Q 4/19/2013			No	No	Due to Rework of the Standard Plant Schedule.
102	13-2Q-2 Steam Generator - Contractor Acceptance of Equipment at Port of Entry - Unit 2	13-1Q 3/31/2013	13-1Q 1/31/2013		-2 Months	No	No	Schedule ahead of plan.
103	13-2Q-3 Turbine Generator Fabricator Notice to Contractor Turbine Generator Ready to Ship - Unit 2	13-2Q 4/30/2013	13-3Q 7/31/2013		+3 Months	No	No	Schedule delay at supplier.
104	13-2Q-4 Pressurizer Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 3	14-1Q 2/28/2014	13-1Q 3/31/2013		-11 Months	No	No	Schedule ahead of plan.
105	13-2Q-5 Polar Crane - Shipment of Equipment to Site - Unit 2	13-2Q 5/31/2013	12-4Q 11/30/2012		-6 Months	No	No	Schedule ahead of plan.
106	13-2Q-6 Receive Unit 2 Reactor Vessel on site from fabricator	13-2Q 5/20/2013	13-2Q 5/24/2013			No	No	Due to Rework of the Standard Plant Schedule.
107	13-3Q-1 Set Unit 2 Reactor Vessel	13-2Q 6/18/2013	13-2Q 6/20/2013			No	No	Due to Rework of the Standard Plant Schedule.




Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only



# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
108	13-3Q-2 Steam Generator Fabricator Notice to Contractor of Completion of 2nd Channel Head to Tubesheet Assembly Welding - Unit 3	13-4Q 12/31/2013	13-4Q 11/30/2013		-1 Month	No	No	Schedule ahead of plan.
109	13-3Q-3 Reactor Coolant Pump Fabricator Notice to Contractor of Final Stator Assembly Completion - Unit 3	14-3Q 8/31/2014	14-3Q 8/31/2014			No	No	
110	13-3Q-4 Reactor Coolant Pump - Shipment of Equipment to Site (2 Reactor Coolant Pumps) - Unit 2	13-3Q 9/30/2013	13-3Q 9/30/2013			No	No	
111	13-3Q-5 Place first nuclear concrete for Unit 3	13-3Q 8/1/2013	13-3Q 8/2/2013			No	No	Due to Rework of the Standard Plant Schedule.
112	13-4Q-1 Set Unit 2 Steam Generator	13-3Q 9/9/2013	13-3Q 9/11/2013			No	No	Due to Rework of the Standard Plant Schedule.
113	13-4Q-2 Main Transformers Ready to Ship - Unit 2	13-3Q 9/30/2013	13-1Q 2/28/2013		-7 Months	No	No	Schedule ahead of plan.
114	13-4Q-3 Complete Unit 3 Steam Generator Hydrotest at fabricator	14-1Q 2/28/2014	14-1Q 3/31/2014		+1 Month	No	No	Schedule delay at supplier.

Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only

## Appendix 1

### VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
115	13-4Q-4 Set Unit 2 Containment Vessel Bottom Head on basemat legs	11-4Q 11/21/2011	11-4Q 11/21/2011			No	No	
116	14-1Q-1 Set Unit 2 Pressurizer Vessel	14-1Q 1/24/2014	14-1Q 1/28/2014			No	No	Due to Rework of the Standard Plant Schedule.
117	14-1Q-2 Reactor Coolant Pump Fabricator Notice to Contractor of Satisfactory Completion of Factory Acceptance Test - Unit 3	15-1Q 2/28/2015	14-4Q 12/31/2014		-2 Months	No	No	Schedule ahead of plan.
118	14-1Q-3 Deliver Reactor Vessel Internals to Port of Export - Unit 3	15-2Q 6/30/2015	15-2Q 6/30/2015			No	No	
119	14-1Q-4 Main Transformers Fabricator Issue PO for Material - Unit 3	14-2Q 4/30/2014	13-3Q 8/31/2013		-8 Months	No	No	Schedule ahead of plan.
120	14-2Q-1 Complete welding of Unit 2 Passive Residual Heat Removal System piping	14-1Q 3/19/2014	14-1Q 3/21/2014			No	No	Due to Rework of the Standard Plant Schedule.
121	14-2Q-2 Steam Generator - Contractor Acceptance of Equipment at Port of Entry - Unit 3	15-2Q 4/30/2015	15-1Q 2/28/2015		-2 Months	No	No	Schedule ahead of plan.




Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only



# Appendix 1

## VC Summer Units 2 and 3




Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
122	14-2Q-3 Refueling Machine - Shipment of Equipment to Site - Unit 3	14-2Q 5/31/2014	14-2Q 5/31/2014			No	No	
123	14-3Q-1 Set Unit 2 Polar Crane	14-2Q 4/3/2014	14-2Q 4/7/2014			No	No	Due to Rework of the Standard Plant Schedule.
124	14-3Q-2 Reactor Coolant Pumps - Shipment of Equipment to Site - Unit 3	15-2Q 6/30/2015	15-2Q 6/30/2015			No	No	
125	14-3Q-3 Main Transformers Ready to Ship - Unit 3	14-3Q 9/30/2014	14-3Q 9/30/2014			No	No	
126	14-4Q-1 Spent Fuel Storage Rack - Shipment of Last Rack Module - Unit 3	14-4Q 12/31/2014	14-3Q 8/31/2014		-4 Months	No	No	Schedule ahead of plan.
127	15-1Q-1 Start electrical cable pulling in Unit 2 Auxillary Building	14-4Q 12/26/2014	14-4Q 12/18/2014			No	No	Due to Rework of the Standard Plant Schedule.
128	15-1Q-2 Complete Unit 2 Reactor Coolant System cold hydro	15-3Q 8/3/2015	15-3Q 7/7/2015		-1 Month	No	No	Due to Rework of the Standard Plant Schedule.
129	15-2Q-1 Activate class 1E DC power in Unit 2 Auxillary Building.	15-1Q 3/5/2015	15-1Q 2/27/2015		-1 Month	No	No	Due to Rework of the Standard Plant Schedule.

Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only

# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
130	15-3Q-1 Complete Unit 2 hot functional test.	15-3Q 9/21/2015	15-3Q 8/27/2015		-1 Month	No	No	Due to Rework of the Standard Plant Schedule.
131	15-3Q-2 Install Unit 3 ring 3 for containment vessel	15-3Q 7/30/2015	15-2Q 4/14/2015		-3 Months	No	No	Due to Rework of the Standard Plant Schedule.
132	15-4Q-1 Load Unit 2 nuclear fuel	15-4Q 10/28/2015	15-4Q 10/26/2015			No	No	Due to Rework of the Standard Plant Schedule.
133	16-1Q-1 Unit 2 Substantial Completion	16-2Q 4/1/2016	16-2Q 4/1/2016			No	No	
134	16-2Q-1 Set Unit 3 Reactor Vessel	15-4Q 10/1/2015	15-2Q 6/15/2015		-4 Months	No	No	Due to Rework of the Standard Plant Schedule.
135	16-3Q-1 Set Unit 3 Steam Generator #2	15-4Q 12/22/2015	15-3Q 9/2/2015		-3 Months	No	No	Due to Rework of the Standard Plant Schedule.
136	16-4Q-1 Set Unit 3 Pressurizer Vessel	16-2Q 5/16/2016	16-1Q 1/20/2016		-4 Months	No	No	Due to Rework of the Standard Plant Schedule.
137	16-4Q-1 Complete welding of Unit 3 Passive Residual Heat Removal System piping	16-2Q 6/20/2016	16-1Q 3/2/2016		-3 Months	No	No	Due to Rework of the Standard Plant Schedule.




Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only



# Appendix 1

## VC Summer Units 2 and 3

Tracking ID	Reset Milestone Description	Reset Milestone Date	1st Quarter 2010 Targeted Milestone Completion Date	Actual Completion Date	Delta Months from Reset Milestone Date	Outside +18/-24 Month Contingency?	Substantial Completion Date Impact?	Notes
138	17-2Q-1 Set Unit 3 polar crane	16-3Q 7/18/2016	16-1Q 3/29/2016		-4 Months	No	No	Due to Rework of the Standard Plant Schedule.
139	17-3Q-1 Start Unit 3 Shield Building roof slab rebar placement	17-1Q 1/16/2017	16-3Q 9/26/2016		-4 Months	No	No	Due to Rework of the Standard Plant Schedule.
140	17-4Q-1 Start Unit 3 Auxiliary Building electrical cable pulling	17-2Q 4/6/2017	16-4Q 12/13/2016		-4 Months	No	No	Due to Rework of the Standard Plant Schedule.
141	18-1Q-1 Activate Unit 3 Auxiliary Building class 1E DC power	17-2Q 6/9/2017	17-1Q 2/17/2017		-4 Months	No	No	Due to Rework of the Standard Plant Schedule.
142	18-2Q-1 Complete Unit 3 Reactor Coolant System cold hydro	18-1Q 1/1/2018	17-2Q 6/20/2017		-7 Months	No	No	Due to Rework of the Standard Plant Schedule.
143	18-2Q-1 Complete Unit 3 hot functional test	18-1Q 2/15/2018	18-2Q 5/14/2018		+3 Months	No	No	Due to Rework of the Standard Plant Schedule.
144	18-3Q-1 Complete Unit 3 nuclear fuel load	18-2Q 7/31/2018	18-2Q 6/26/2018		-1 Month	No	No	Schedule ahead of plan.
145	18-4Q-1 Begin Unit 3 full power operation	18-4Q 10/31/2018	18-4Q 10/23/2018			No	No	Due to Rework of the Standard Plant Schedule.

Color Legend:  = Completed  = Completed in 10-1Q  = Movement in Days Only

Color Legend:  = Completed  = Completed in 10-1.Q.  = Movement in Days Only

## **APPENDIX 2**

### **V. C. Summer Nuclear Station Units 2 & 3**

#### **Quarterly Report to the South Carolina Office of Regulatory Staff Submitted by South Carolina Electric & Gas Company Pursuant to Public Service Commission Order No. 2009-104A**

#### **Quarter Ending March 31, 2010**

**Appendix 2, Chart A** is an updated and expanded version of the information contained in the capital cost schedule approved by the Commission in Order No. 2010-12. It shows:

1. The actual expenditures on the project by plant cost category through the current period.
2. The changes in capital costs reflecting the Company's current forecast of expenditures on the project for each future period by plant cost category. In updating its cost projections the Company has used the current construction schedule for the project and the Commission-approved inflation indices as set forth in **Appendix 4** to this report.
3. The cumulative Construction Work in Progress for the project and the balance of Construction Work in Progress that is not yet reflected in revised rates.
4. The current rate for calculating AFUDC computed as required under applicable FERC regulations.

The Cumulative Project Cash Flow target as approved in Order No. 2010-12 and as updated for escalation and other Commission-approved adjustments is found under the heading "**Per Order 2010-12 Adjusted.**" The adjustments reflect:

1. Changes in inflation indices.
2. Changes in the timing of capital costs based on the use of the Cost Rescheduling contingencies authorized by the Commission, if any.
3. Budget Carry-forward Adjustments used, where appropriate to track the effect of lower-than-expected cumulative costs on the future cumulative cash flow of the project.
4. Carry forward of unused contingencies from prior years and contingency timing adjustments related to the acceleration of capital costs as authorized by the Commission.

**Chart A of Appendix 2** also shows the cumulative cash flow for the project based on actual expenditures to date and the current construction schedule and forecast of year-by-year cost and going forward. This information is found under the heading **“Actual through March 2010, plus Projected.”**

**Chart B of Appendix 2** provides a comparison of the adjusted Cumulative Project Cash Flow target for the project with the actual and forecasted cash flow for the project. This section of **Chart B of Appendix 2** also shows the cumulative contingency available to cover any amount by which the actual or forecasted expenditure is greater than the approved target expenditure during any year.

**Chart C of Appendix 2** provides a year-by-year schedule of the contingency funds forecasted to be available as well as their actual or anticipated use, and carry forward of unused amounts.

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# Appendix 2, Chart A

## RESTATED and UPDATED CONSTRUCTION EXPENDITURES (Thousands of \$)

### V.C. Summer Units 2 and 3 - Summary of SCE&G Capital Cost Components

	Total	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Annual Project Cash Flow(per order)	6,559,576	21,723	100,905	389,024	500,521	605,164	881,411	962,846	839,011	758,003	596,227	423,986	472,752
Capital Cost Rescheduling Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget Carry-Forward Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency Pool Timing Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	6,559,576	21,723	100,905	389,024	500,521	605,164	881,411	962,846	839,011	758,003	596,227	423,986	472,752
Adjusted for Change in Escalation	5,911,229	21,723	100,905	343,289	473,108	580,447	831,241	885,325	757,782	671,899	513,231	381,281	391,019
Cumulative Project Cash Flow(Target)	21,723	122,828	465,918	939,025	1,499,472	2,330,712	3,216,037	3,973,819	4,645,718	5,158,949	5,520,210	5,911,229	
<b>Actual through March 2010* plus Projected</b>													
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Plant Cost Categories													
Fixed with No Adjustment	308,591	-	26	724	1,333	3,043	4,864	9,947	24,850	37,443	43,451	81,739	101,171
Firm with Fixed Adjustment A	4,155,360	21,723	97,386	319,073	395,572	459,681	630,999	630,705	483,620	421,721	307,307	191,265	196,308
Firm with Fixed Adjustment B	379,387	-	-	-	72,339	42,938	48,633	49,911	49,240	41,885	25,032	27,105	22,504
Firm with Indexed Adjustment	4,534,747	21,723	97,386	319,073	467,910	502,619	679,632	680,616	532,860	463,406	332,339	218,370	218,812
Actual Craft Wages	1,380,056	-	3,519	20,930	5,994	66,487	164,806	213,692	208,943	209,331	181,312	141,791	163,250
Non-Labor Costs													
Time & Materials													
Owners Costs													
Transmission Projects													
Total Base Project Costs(2007 \$)	308,591	-	26	724	1,333	3,043	4,864	9,947	24,850	37,443	43,451	81,739	101,171
Total Project Contingency(2007 \$)	4,155,360	21,723	97,386	319,073	395,572	459,681	630,999	630,705	483,620	421,721	307,307	191,265	196,308
Total Project Commitment(2007\$)	379,387	-	-	-	72,339	42,938	48,633	49,911	49,240	41,885	25,032	27,105	22,504
Total Project Escalation	4,534,747	21,723	97,386	319,073	467,910	502,619	679,632	680,616	532,860	463,406	332,339	218,370	218,812
Total Revised Project Cash Flow	1,380,056	-	3,519	20,930	5,994	66,487	164,806	213,692	208,943	209,331	181,312	141,791	163,250
Cumulative Project Cash Flow(Revised)	5,914,803	21,723	122,828	462,632	936,537	1,505,643	2,350,081	3,244,389	3,986,192	4,658,929	5,172,580	5,532,741	5,914,803
AFUDC(Capitalized Interest)	329,357	645	3,497	10,564	24,128	30,764	42,080	51,451	49,854	41,020	27,016	23,826	24,513
Gross Construction	6,244,160	22,368	104,403	350,567	498,033	599,870	886,518	945,759	791,657	713,757	540,667	383,987	406,575
Construction Work in Process	22,368	126,771	477,338	975,371	1,575,241	2,461,760	3,407,518	4,199,175	4,912,932	5,453,598	5,837,586	6,244,160	
CWIP Currently in Rates				264,325									
March 31, 2010 Actual Incremental CWIP Not Currently in Rates				286,780									

\*Applicable Index escalation rates for Q1 2010 are estimated. Escalation is subject to restatement when actual indices for Q1 2010 are final.

Notes:

Current Period AFUDC rate applied

7.10%

The AFUDC rate applied is the current SCE&G rate. AFUDC rates can vary with changes in market interest rates, SCE&G's embedded cost of capital, capitalization ratios, construction work in process, and SCE&G's short-term debt outstanding.

# Appendix 2, Chart B

## RESTATED and UPDATED CONSTRUCTION EXPENDITURES (Thousands of \$)

### V.C. Summer Units 2 and 3 - Summary of SCE&G Capital Cost Components

	Total	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Annual Project Cash Flow(per order)	6,559,575	21,723	100,905	389,024	500,521	605,164	891,411	962,846	839,011	756,003	596,227	423,986	472,752
Capital Cost Rescheduling Contingency	-	-	-	(36,806)	36,806	-	-	-	-	-	-	-	-
Contingency Pool Timing Adjustment	6,559,575	21,723	100,905	352,218	537,327	605,164	891,411	962,846	839,011	756,003	596,227	423,986	472,752
Net	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Flow Target	5,911,229	21,723	100,905	343,289	473,108	560,447	831,241	885,325	757,782	671,899	513,231	361,261	391,019
Total Revised Project Cash Flow	5,914,802	21,723	100,905	340,003	473,905	569,106	844,438	894,308	741,803	672,737	513,651	360,161	382,062

### Comparison of Revised Cash Flow to Target

Year over Year Change	3,574	-	0	(3,286)	797	8,659	13,197	8,983	(15,979)	838	420	(1,100)	(8,957)
Cumulative Revised Project Cash Flow	21,723	122,628	482,632	936,536	*1,505,642	2,350,080	3,244,388	3,986,191	4,658,928	5,172,579	5,532,740	5,914,802	
Cumulative Project Cash Flow(Target)	21,723	122,628	465,917	939,025	1,499,471	2,330,712	3,216,037	3,973,819	4,645,718	5,158,949	5,520,210	5,911,229	
Timing Adj on EPC Billing Methodology	-	-	1,742	1,266	-	-	-	-	-	-	-	-	-
Adjusted Cumulative target	21,723	122,628	467,660	942,033	1,502,480	2,333,721	3,219,045	3,976,827	4,648,727	5,161,957	5,523,218	5,914,237	
Over/(Under)-Before Contingency	-	0	(5,028)	(5,497)	3,163	16,360	25,343	9,364	10,202	10,622	9,522	565	
Projected Cumulative Available Contingency *	-	-	-	72,339	115,277	163,910	213,821	263,061	304,746	329,778	356,883	379,387	
Cumulative Use of Contingency	-	-	-	-	3,163	16,360	25,343	9,364	10,202	10,622	9,522	565	
Projected Net Contingency Available	-	-	-	72,339	112,114	147,550	188,477	253,696	294,544	319,155	347,361	378,821	

\* For simplicity, contingency numbers are stated in 2007 dollars. Actual available contingency is expected to be higher due to escalation.



## Appendix 2, Chart C

### Contingency Schedule

(Thousands of \$)

	Actual		Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Total	438,291	-	37,858	40,770	49,410	55,475	57,450	56,287	49,823	29,746	32,424	29,049
Revised Schedule Projected Contingency	-	-	-	-	-	-	-	-	-	-	-	-
Contingency Pool Timing Adjustment	-	-	(36,806)	36,806	-	-	-	-	-	-	-	-
Change in Estimated Project Base Costs	58,904	-	1,052	5,237	6,473	6,841	7,539	7,047	8,138	4,714	5,318	6,545
Revised Contingency Forecast (net of base cost change)	379,387	-	(0)	72,339	42,937	48,633	49,911	49,240	41,685	25,032	27,105	22,504
Cumulative Contingency Available (net of base cost change)*	-	(0)	(0)	72,339	115,276	163,909	213,821	263,061	304,746	329,778	356,883	379,387
Application of Contingency to Timing Variance	565	-	-	-	3,163	13,197	8,983	(15,979)	838	420	(1,100)	(8,957)
Cumulative Use of Contingency (Timing Related)	-	-	-	-	3,163	16,360	25,343	9,364	10,202	10,622	9,522	565
Cumulative Net Contingency Available	-	(0)	72,339	112,114	147,550	186,478	253,696	284,544	319,156	347,361	378,822	

\* For simplicity, contingency numbers are stated in 2007 dollars. Actual available contingency is expected to be higher due to escalation.

### **APPENDIX 3**

#### **V. C. Summer Nuclear Station Units 2 & 3**

**Quarterly Report to the South Carolina Office of Regulatory Staff  
Submitted by South Carolina Electric & Gas Company  
Pursuant to Public Service Commission Order No. 2009-104A**

#### **Quarter Ending March 31, 2010**

For comparison purposes, **Appendix 3** provides the unadjusted schedule of capital costs for the project which was approved by the Commission in Order No. 2010-12 as the Approved Capital Cost of the Units, pursuant to S.C. Code Ann. § 58-33-270(B)(2) as well as the forecast of AFUDC expense based on these unadjusted schedules and the AFUDC rates that were current at the time of Order No. 2010-12. **Appendix 3** is intended to provide a fixed point of reference for future revisions and updating. While the schedule of costs contained on **Appendix 3** is subject to revision for escalation, changes in AFUDC rates and amounts, capital cost scheduling contingencies and other contingency adjustments as authorized in Order No. 2009-104A, no such adjustments have been made to the schedules presented here.



# Appendix 3

## RESTATED and UPDATED CONSTRUCTION EXPENDITURES (Thousands of \$)

### V.C. Summer Units 2 and 3 - Summary of SCE&G Capital Cost Components

Per Order 2010-12

Plant Cost Categories	Actual		Projected									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Total</b>												
Fixed with No Adjustment	-	27	555	1,502	3,043	4,864	9,947	24,850	37,443	43,451	81,739	101,171
Firm with Fixed Adjustment A	21,723	97,494	325,826	392,677	444,400	614,959	614,378	488,205	412,858	302,460	186,739	194,736
Firm with Fixed Adjustment B	-	-	37,858	40,770	49,410	55,475	57,450	56,287	49,823	29,746	32,424	29,049
Firm with Indexed Adjustment	21,723	97,494	363,684	433,447	493,810	670,434	671,828	544,492	462,681	332,206	219,162	223,785
Actual Craft Wages	-	3,411	25,340	67,074	111,355	220,977	291,019	294,518	293,322	264,022	204,824	248,967
Non-Labor Costs												
Time & Materials												
Owners Costs												
Transmission Projects	308,591											
Total Base Project Costs(2007 \$)	4,086,455											
Total Project Contingency(2007 \$)	438,291											
Total Project Commitment(2007\$)	4,534,746											
Total Project Escalation	2,024,830											
<b>Total Revised Project Cash Flow</b>	21,723	100,905	389,024	500,521	605,165	891,411	962,847	839,010	756,003	596,228	423,986	472,752
<b>Cumulative Project Cash Flow(Revised)</b>	21,723	122,628	511,653	1,012,174	1,617,339	2,508,749	3,471,596	4,310,606	5,066,609	5,662,837	6,086,823	6,559,575
<b>AFUDC(Capitalized Interest)</b>	645	3,496	15,973	23,979	28,098	36,328	45,517	45,035	39,297	25,923	22,789	28,659
<b>Construction Work In Process</b>	22,368	126,769	531,766	1,056,267	1,689,529	2,617,267	3,625,631	4,509,676	5,304,977	5,927,128	6,373,904	6,875,315

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## **APPENDIX 4**

### **V. C. Summer Nuclear Station Units 2 & 3**

**Quarterly Report to the South Carolina Office of Regulatory Staff  
Submitted by South Carolina Electric & Gas Company  
Pursuant to Public Service Commission Order No. 2009-104A**

**Quarter Ending March 31, 2010**

**Appendix 4** shows the changes in the inflation indices approved in Order No. 2009-104A. Included is a ten year history of the Handy Whitman All Steam Index, South Atlantic Region; the Handy Whitman All Steam and Nuclear Index, South Atlantic Region; Handy Whitman All Transmission Plant Index, South Atlantic Region; and the Chained GDP Index. The change in the relevant indices from the Combined Application is also provided.

# Appendix 4, Chart A

## Inflation Indices, Chart A

HW All Steam Generation Plant Index, January 2010

<u>Year</u>	<u>Index</u>	<u>Yr/Yr change</u>	<u>Three Year Average</u>	<u>Five Year Average</u>	<u>Ten Year Average</u>
2010	536	-1.29%	3.89%	5.21%	4.32%
2009	543	4.83%	7.19%	7.19%	
2008	518	8.14%	7.50%	6.65%	
2007	479	8.62%	7.66%	5.51%	
2006	441	5.76%	5.49%	4.17%	
2005	417	8.59%	4.39%	3.42%	
2004	384	2.13%	2.17%		
2003	376	2.45%	2.13%		
2002	367	1.94%			
2001	360	1.98%			
2000	353				

<b>BLRA</b>
<b>Filing</b>
<b>Jul-07</b>
<b>7.68%</b>
<b>5.74%</b>

**Update**  
**Jan-10**

**HW All Steam Index:**

One year  
Five Year

-1.29%  
5.21%



# Appendix 4, Chart B

## Inflation Indices, Chart B

HW All Steam and Nuclear Generation Plant Index, January 2010

<u>Year</u>	<u>Index</u>	<u>Yr/Yr change</u>	<u>Three Year Average</u>	<u>Five Year Average</u>	<u>Ten Year Average</u>
2010	536	-1.11%	3.89%	5.26%	4.34%
2009	542	4.84%	7.21%	7.20%	
2008	517	7.93%	7.52%	6.66%	
2007	479	8.86%	7.75%	5.57%	
2006	440	5.77%	5.51%	4.19%	
2005	416	8.62%	4.40%	3.43%	
2004	383	2.13%	2.18%		
2003	375	2.46%	2.13%		
2002	366	1.95%			
2001	359	1.99%			
2000	352				

BLRA Filing Jul-07
7.69% 5.75%

Update  
Jan-10

HW All Steam/Nuclear Index:

One year  
Five Year

-1.11%  
5.26%

# Appendix 4, Chart C

## Inflation Indices, Chart C

HW All Transmission Plant Index, January 2010

<u>Year</u>	<u>Index</u>	<u>Yr/Yr change</u>	<u>Three Year Average</u>	<u>Five Year Average</u>	<u>Ten Year Average</u>
2010	556	-4.14%	3.7%	5.74%	4.63%
2009	580	7.4%	8.1%	8.60%	
2008	540	7.8%	8.5%	7.71%	
2007	501	9.2%	9.3%	6.1%	
2006	459	8.5%	7.2%	4.8%	
2005	423	10.2%	4.3%	3.5%	
2004	384	2.9%	1.7%		
2003	373	-0.3%	1.5%		
2002	374	2.5%			
2001	365	2.2%			
2000	357				

<b>BLRA</b>
<b>Filing</b>
<b>Jul-07</b>
<b>8.82%</b>
<b>6.86%</b>

Update  
Jan-10

HW All Transmission Plant Index

One year  
Five Year

-4.14%  
5.74%

## Appendix 4

### Inflation Indices, Chart D

GDP Chained Price Index, 2009

SERIES/TYPE	UNIT	SHORT LABEL	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Chained Price Index—Gross Domestic Product</b>												
(2005=100) Chained price index-gross domestic product, Source: BEA, Units: Index- 2005=100												
U.S. Macro - 10 Year Baseline			88.65	90.65	92.11	94.10	96.77	100.00	103.26	106.22	108.48	109.75
Annual Percent change			2.17%	2.26%	1.61%	2.16%	2.84%	3.34%	3.26%	2.87%	2.13%	1.17%
3-Year Annual Percent change					2.01%	2.01%	2.20%	2.78%	3.14%	3.15%	2.75%	2.05%
5-Year Annual Percent change							2.21%	2.44%	2.64%	2.89%	2.88%	2.55%
10-Year Annual Percent change												2.38%
<b>Consumer Price Index, All-Urban</b>												
Consumer price index, all-urban, Source: BLS, Units: - 1982-84=1.00												
U.S. Macro - 10 Year Baseline	Index		1.72	1.77	1.80	1.84	1.89	1.95	2.02	2.07	2.15	2.15
Percent change			3.37%	2.82%	1.60%	2.30%	2.67%	3.37%	3.23%	2.86%	3.69%	0.00%
3-Year Annual Percent change					2.59%	2.24%	2.19%	2.78%	3.09%	3.15%	3.26%	2.17%
5-Year Annual Percent change							2.55%	2.55%	2.63%	2.88%	3.16%	2.62%
10-Year Annual Percent change												2.58%
<b>Producer Price Index—Finished Goods</b>												
(1982=1.0) Producer price index-finished goods, Source: BLS, Units: Index- 1982=1.0												
U.S. Macro - 10 Year Baseline			1.38	1.41	1.39	1.43	1.49	1.56	1.60	1.67	1.77	1.73
Percent change			3.76%	1.94%	-1.30%	3.18%	3.98%	4.70%	2.56%	4.38%	5.99%	-2.26%
3-Year Annual Percent change					1.44%	1.26%	1.93%	3.95%	3.74%	3.87%	4.30%	2.64%
5-Year Annual Percent change							2.29%	2.48%	2.60%	3.76%	4.31%	3.03%
10-Year Annual Percent change												2.66%

BLRA Filing Jul-07	Update Jan-10
2.66%	1.17%
2.81%	2.56%

#### GDP Chained Price Index

One year  
Five Year